

Message Text

PAGE 01 STATE 209960

73

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PLS PASS J. ZEROLIS/LOS DELEGATION

E.O. 11652:N/A

TAGS: PFOR, XC, US

SUBJECT: AUGUST 24 EA PRESS SUMMARY

1. INDOCHINA

PL GOVT FAILS COMMEMORATE TRADITIONAL LAOTIAN BUDDHIST
ALL SAINTS DAY - 1ST TIME IN 29 YRS THAT DAY NOT OFFICIALLY
CELEBRATED (REUTER VIENTIANE).

2. PHILIPPINES

SENATE ADOPTS RESOLUTION EXPRESSING FULL SUPPORT FOR US
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PAGE 02 STATE 209960

AID IN RELIEF, REHAB OF AREA DEVASTATED BY QUAKE, TIDAL
WAVE (AP, WP). MANILA PAPERS ASSAIL US AID OFFICIAL WHO
SUGGESTED USING QUAKE RELIEF AS LEVERAGE IN BASE NEGOTS
(AP MANILA). MAJOR AFTERSHOCK HITS 70 MI N ZAMBOANGA,

LATEST OF 6 MAJOR TREMORS TO FOLLOW INITIAL QUAKE. NO NEW CASUALTIES IMMEDIATELY REPORTED (WSTAR 8/23).

ABOUT 70,000 LIVING NEAR CLARK AB ASK GOP STUDY WHETHER JET NOISE HARMFUL TO HEALTH (AP, NYDN).

3. AUSTRALIA

PM FRASER, GOVGEN KERR NARROWLY ESCAPE INJURY IN SEPARATE

VIOLENT STUDENT DEMONSTRATIONS TO PROTEST BUDGET CUTS (WP). HUNDREDS STUDENTS RIOT AT MONASH U IN MELBOURNE FORCE PM FLEE. GOVGEN, WIFE ESCORTED OFF SYDNEY CAMPUS UNDER HEAVY POLICE GUARD; STUDENTS PROTESTED DISMISSAL LABOUR GOVT BY GOVGEN (REUTER, NYT). PM FRASER BLAMES HOOLIGANS FOR VIOLENT STUDENT DEMONSTRATION. GOVGEN KERR WIFE, BESIEGED IN U OF NSW OFFICE; DOZENS DEMONSTRATIONS AGAINST GOVGEN OCCURRED IN PAST YR TO PROTEST DECISION DISMISS WHITLAM GOVT, ORDER GENL ELECTION (REUTER CANBERRA).

DEP PM ANTHONY DENIED CLAIM MADE IN FEDL PARLIAMENT THAT SECSTATE OFFICIALLY ASKED AUSTRALIA BAN EXPORT URANIUM TO IRAN (REUTER CANBERRA).

AUSSIE TV'S MOST POPULAR SHOW, "THE INVENTORS," FEATURES PANEL JUDGEMENT OF 4 INVENTIONS DEMONSTRATED BY AMATEUR INVENTORS. ABOUT 60 PCT OF INVENTIONS HAVE APPEARED ON MARKET SINCE SHOW STARTED 7 YRS AGO (HARTLEY, WSJ). AFTER 4-MOS BOOM, AUSSIE AUTO SALES SLUMP OVER 10 PCT IN JULY. FIGURES RAISE QUESTION ON CONSUMER DEMAND, ECON RECOVERY (JOC SPEC).

4. JAPAN

FUKUDA MON CALLED ON MIKI RESIGN. TOLD SUPPORTERS NO WAY FOR LDP WIN ELECTION WITHOUT LEADERSHIP CHANGE. UNCLASSIFIED

PAGE 03 STATE 209960

CHARGED MIKI ADMIN HAS LOST CAPACITY GOVERN IN JOINT PRESS CONF WITH OHIRA (REUTER, NYT).

TWO-THIRDS LDP DIETMEN CAUCUSED TUES IN MOVE OUST PM MIKI. DECIDED RECONVENE EVENING, AFTER FUKUDA/OHIRA TALKS WITH MIKI. NAKA FUNADA TOLD CAUCUS MIKI HAS LOST CONFIDENCE OF DIET MAJORITY. CAUCUS ATTENDED BY 266 OF 392 LDP DIETMEN; INCLUDED 15 OF 21 CABINET MINISTERS. DISPUTE OVER CAUCUS POWERS: MIKI OPPONENTS CLAIM DECISION BINDING; PM SUPPORTERS CLAIM "MOTIONS" MUST BE APPROVED BY LDP EXECS, WHO BOYCOTTED MEETING.

JAMESON (LAT 8/22) REPORTS FUKUDA MET MIKI SAT, URGED

HIM RESIGN INDIRECTLY. EXPLAINS CAUCUS, IF ATTENDED BY 2/3 LDP DIETMEN, COULD STRIP MIKI OF PARTY PRESIDENCY BY NON-CONFIDENCE VOTE, BUT PM CAN BE REMOVED FROM OFFICE ONLY BY DIET.

JAMESON (LAT 8/23) REVIEWS MURAKAMI'S 55-HR INTERVIEW OF KOTCHIAN, NOW RUNNING AS DAILY SERIES IN ASAHI. NOTES LOCKHEED EXEC DETAILED PAYMENTS TO POLITICIANS THAT

WAS PRESSURED TO MAKE 1972, INCLUDING 1.8 MILLION DOLS TO TANAKA, THRU MARUBENI; 1.6 MILLION DOLS TO TANAKA BUSINESS ASSOCIATE KENJI OSANO, THRU KODAMA; 23,333 DOLS THRU MARUBENI TO HASHIMOTO; 13,333 DOLS TO FORMER VMIN TRANS SATO THRU MARUBENI. ALL ABOVE PAYMENTS VIOLATED FOREX CONTROL LAW. MONEY PAID HASHIMOTO/SATO BELOW SUM PROSECUTORS CHARGE THEY RECEIVED, SUGGESTING INTERMEDIARY MAY HAVE POCKETED DIFFERENCE.

TAKAYAMA (SUN) NOTES KOTCHIAN TOLD ASAHI HE ASKED KODAMA INTERVENE WITH NAKASONE OCT 1972 TO FACILITATE TRISTAR SALE; BUT DID NOT SAY WHETHER PAYMENT INVOLVED.

SPOKESMAN SAID TUES LOCKHEED WOULD COOPERATE WITH FTC PROBE OF ITS TRADE PRACTISES (AP, SUN).

IN ACTION UNRELATED LOCKHEED, POLICE LAST WEEK ARRESTED JSP DIETMAN TOSHIO KANASE, ON CHARGE EXTORTED 10,000 DOLS FROM CONSTRUCTION FIRM; CALLED JSP DIETMAN UNCLASSIFIED

PAGE 04 STATE 209960

SUSUMU SANO AS WITNESS. SYG ISHIBASHI SAID JSP WOULD EXPEL KANASE (JAMESON, LAT 8/22).

TOYOTA AGREED MON ACCEPT 8,900 YEN/TON STEEL PRICE INCREASE. CLEARS WAY FOR INDUSTRY RAISE DOMESTIC STEEL PRICES 10-15 PCT (JOC, TOKYO).

YEN EXPECTED CONTINUE GAIN AGAINST DOL, DESPITE TEMPORARY WEAKENING MON, WHEN SPOT RATE CLIMBED HIGH AS 290.05/DOL (JOC, TOKYO).

BRAZIL PRES GEISEL EXPECTED LEAD WORKING LEVEL ECON MISSION JAPAN MID-SEPT. ADVANCE MEN ALREADY IN TOKYO. AIM SEEK EXPANDED JAPAN/BRAZIL ECON COOPERATION (JOC, TOKYO).

INDUSTRY SOURCES SAID MON SOV "QUITE ADAMANT" WANT GOJ CREDIT IN PLACE MORE COSTLY PRIVATE LOANS, TO FINANCE STEEL PLATE PURCHASE FOR GAS PIPELINE (WP).

GOJ SEEKS EXTRADITION AMCIT SEAMAN WM ROLAND MARTIN, IN CONNECTION WITH MURDER COMMON-LAW WIFE FUKUOKA

LAST SEPT. FIRST SUCH REQUEST UNDER TREATY SIGNED
1886 (REUTER, NYT).

5. CHINA

PRC SPOKESMAN TERMS POLAND'S WITHDRAWAL OF ACCREDITA-
TION FROM NCNA CHIEF CORRESPONDENT IN WARSAW "UTTERLY

UNREASONABLE"; SAYS LEADING MEMBER PRC FONMIN HAS EX-
PRESSED "DEEP REGRETS" OVER MATTER TO POLISH EMB IN CHINA.
POLISH NEWS AGENCY CORRESPONDENT IN PEKING SAID HE WOULD
LEAVE FOR HOME AFTER 5-YR POSTING, BUT ADDED CHINESE AU-
THORITIES HAD NOT WITHDRAWN HIS ACCREDITATION (REUTER
PEKING).

DURING SPEECH IN L A, CALIF 8/23, JIMMY CARTER SAID HE
WOULD "PROCEED AGGRESSIVELY IN SEEKING PEACE" W/USSR,
PRC; ADDED, "I THINK DETENTE IS GOOD" (REUTER L A).

UNCLASSIFIED

PAGE 05 STATE 209960

PEOPLE'S DAILY NEWSPAPER RENEWS ATTACK AGAINST TENG
HSIAO-PING, DESCRIBING HIM AS WORSHIPER OF FON THINGS
WHO ENCOURAGED CAPITALISM'S RESTORATION (REUTER HK, WP).
ACCORDING DIPLOMATIC SOURCES, 3 ARTICLES EDITED BY TENG
WILL BE DISTRIBUTED TO PEOPLE AS "NEGATIVE TEACHING MA-
TERIAL." FRONT-PAGE PEOPLE'S DAILY EDIT DESCRIBED WORKS
AS "3 BIG POISONOUS WEEDS" WHICH EXPRESSED TENG'S RE-
VISIONIST VIEWPOINTS. SENIOR CP IDEOLOGIST, SPEAKING
TO FON DELEGATION, DESCRIBED LAST APRIL'S RIOTS IN PE-
KING, WHICH PRECEDED TENG'S DOWNFALL, AS "POLITICAL
EARTHQUAKE" (REUTER PEKING).

MME CHIANG KAI-SHEK, NOW 76, FLEW NY 8/23 ABOARD HER
SPECIAL BEOING 707 FOR MEDICAL TREATMENT OF UNDISCLOSED
ILLNESS (REUTER WP, PHINQ; NYT).

HOLLAND'S PHILIPS INDUSTRIES TO INVEST OVER 50 MIL DOLS IN
TAIWAN TO PRODUCE COLOR TV TUBES, BEGINNING 12/76 (JOC).

6. KOREA

US/18 CO-SPONSERS SUBMITTED DRAFT RES UNGA FRI, STRESSING
NEED FOR "CONSTRUCTIVE DIALOG AND NEGOTIATION" SETTLE
KOREA QUESTION PEACEFULLY, BRING ABOUT REUNIFICATION
(NYT SPEC, 8/21).

DOS' FUNSETH MON LABELED KIM IL SUNG MESSAGE OF REGRET
OVER DMZ INCIDENT "A POSITIVE STEP." INSISTED NO
DISCREPANCY WITH DOS STATEMENT SUN, THAT MESSAGE
"UNACCEPTABLE." EXPLAINED "WE RECOGNIZE" NK MESSAGE
EXPRESSED REGRET, THUS CONSIDER IT "POSITIVE STEP"; BUT

DOES NOT CHANGE "TRAGIC FACT" 2 US OFFICERS BRUTALLY BEATEN TO DEATH. SAID US CALLED FOR MAC MEETING TUES, TO SEEK ASSURANCES FOR SAFETY OF PERSONNEL IN DMZ (AP, SCHWEID; TREWITT, SUN; MARDER, WP - ALSO GLOBE; VOLZ, NYDN).

NESSEN TOLD PRESS VAIL, COLO, US ANXIOUS COOPERATE RELAX TENSIONS, BUT WISH MAKE SURE NO MISCALCULATION ABOUT FIRMNESS US INTENTIONS (AP, PHINQ; GWERTZMAN, NYT; TREWITT). ALSO ACKNOWLEDGED MADE "TERRIBLE UNCLASSIFIED

PAGE 06 STATE 209960

MISTAKE" BY GUESSING SUN, WHEN TOLD PRESS FORD KNEW OF KIM MESSAGE BEFORE TREE CUT (MARDER).

GWERTZMAN SAID DOS SOFTENED REACTION MON, BY CALLING KIM MESSAGE "POSITIVE STEP." NOTED FUNSETH SAID MAC MEETING MAY NOT TAKE PLACE TILL AFTER TUES. CITED INTELL ANALYSTS WHO SAID MESSAGE "UNPRECEDENTED" IN MILDNESS/LACK OF RANCOR. ALSO CITED OFFICIALS WHO SAID HAK DID NOT CLEAR SUN DOS STATEMENT THAT KIM MESSAGE "UNACCEPTABLE", THO PRESS GIVEN IMPRESSION FORD/HAK APPROVED IT; SAID HAK WANTS US RESPONSE BE MORE FLEXIBLE, GIVE NK ROOM FOR BE "CONCILIATORY".

RODONG SINMUN MON CALLED FORD "BOSS OF WAR." KCNA MON ACCUSED US OF FORCING CONFLICT BY SENDING USN TF INTO NK WATERS. DOD SOURCES 5-SHIP MIDWAY TF WELL S OF NK BORDER. TF LEFT JAPAN SAT, TRAILED BY SOV SHIP (WSJ; AP, NYDN, PHINQ). JAPANESE PILOT SPOTTED TF NEAR S COAST SK EARLY MON (AP, SEOUL). USN DECLINED STATE TF EXACT POSITION, OR DESTINATION (CSM).

PRES PARK PRESIDED OVER THIRD CABINET MEETING IN THREE DAYS, MON. DISCUSSED KIM IL SUNG MESSAGE. SPOKESMAN SAID LATER SK JOINED US IN REJECTING NK EXPRESSION REGRET OVER DMZ CLASH; CALLED FOR NEW EXPLANATION BY NK (REUTER, SEOUL 8/23).

MIN CUL/INFO KIM SUNG-JIN TOLD REUTER TUES US CONSULTED ROKG BEFORE SOFTENING STAND ON KIM MESSAGE; ECHOED POINT MADE BY FUNSETH, THAT MAC SHOULD INSIST ON NK ASSURANCE OF SAFETY UNC PERSONNEL IN DMZ. UNC DECLINED COMMENT ON FUNSETH ANNOUNCEMENT MAC MEETING SET FOR TUES (REUTER, SEOUL 8/24).

RODONG SINMUNG TUES CHARGED 2D USN TF LED BY CARRIER ENTERPRISE HEADING FOR KOREAN WATERS FROM US; CALLED ON US STOP "PROVOCATIVE" MIL MANEUVERS, WITHDRAW FORCES FROM SK (REUTER, HK).

CARTER COMMENDED FORD FOR SHOWING FIRMNESS; SEN KENNEDY

SAID PRES MADE APPROPRIATE RESPONSE (MARDER).
UNCLASSIFIED

PAGE 07 STATE 209960

NK AMB TO SWEDEN KIL JAE-GYONG TOLD PRESS MON NK DID
NOTHING WRONG, IS WAITING FOR US APOLOGY FOR PROVOCATION
INCIDENT LAST WED. CHARGED FORD STAGED INCIDENT TO GAIN
EXCUSE CONTINUE STATION TROOPS KOREA (REUTER, STOCKHOLM).

DOLLAR WEAKENED AGAINST MOST EUR CURRENCES MON, DUE
CONCERN ABOUT POSSIBILITY FURTHER MIL TENSION KOREA
(AP, SUN).

MOON FOLLOWER KIYOMI OGATA FELL TO DEATH FROM NEW YORKER
HOTEL MON; SECOND TO DIE THERE SINCE SECT BOUGHT HOTEL
MAY (BLAU, NYT).

7. GENERAL

2ND STRONG QUAKE JOLTS SZECHWAN PROV, PRC; PHILS HAS
MAJOR AFTERSHOCK. NO CASUALTIES REPORTED EITHER
(WP; REUTER, SUN; UPI, NYT). DEATH TOLL IN THIS YR'S
QUAKES, OTHER NATURAL CALAMITIES, HIGHEST SINCE 1970.
LIST MAJOR CATASTROPHES INCLUDES QUAKES IN BALI, CHINA,
PHILS; PRC HAS NOT REPORTED DEATH TOLL FROM QUAKES
THAT OCCURRED IN DESNELY POPULATED AREAS (UPI, NYDN).

COMMENT AND ANALYSIS

8. MALAYSIA

CSM REVIEWS CORRUPTION TRIAL MAJOR POL FIGURE DATO
HARUN IDRIS. DISCUSSES SIGNIFICANCE CASE IN TERMS
NATL DEVELOPMENT, ETHNIC PRIVILEGE, GOM DETERMINATION
FIGHT CORRUPTION.

9. BURMA

KAMM (NYT 8/23) VIEWS GUB EFFORT FIND WAY OUT OF ECON
QUAGMIRE THRU INTL RESCUE CONSORTIUM UNDER WB AUSPICES
AS UNPARALLELED UNDER NE WIN GOVT; AS ARE MIL COUP
PLOT, ARREST ALLEGED COMMUNIST OPPONENTS. BELIEVES
INDICATE MOUNTING PRESSURES ON REGIME. REVIEWS
CRACK IN MIL UNITY, REPORTED MOUNTING DISSATISFACTION
UNCLASSIFIED

PAGE 08 STATE 209960

OVER STAGNANT ECONOMY, REPRESSIVE REGIME, CORRUPTION,
PROFITEERING. MENTIONS RECENT INSTANCES TERRORISM
IN RANGOON, WAR WITH COMMUNISTS ON CHINESE BORDER.
SAYS AID SOLICITATION BY NE WIN IS MEASURE DESPERATION
WITH ECON FAILURE OF "SOCIALIST WAY"; WB, JAPAN,

AUSTRALIA FAVOR AID CONSORTIUM, US SKEPTICAL. DISCUSSES WB REPORT. ADDS WB STUDY GROUP ARRIVED IN PREPARATION FOR MEETING POTENTIAL AID DONORS IN TOKYO NEXT NOV.

KAMM (NYT 8/24) LOOKS OVER "PAINFUL SLOWNESS" OF REPAIR MAJOR SHRINES DEVASTATED IN MAJOR QUAKE LAST YR AT PAGAN. NOTES GUB LACKS RESOURCES TO REBUILD MONUMENTS, HAS DONE ALMOST NOTHING TAKE UP MANY FON OFFERS AID DUE DESIRE NEUTRALITY THAT SEEMS PRECLUDE INTL AID IN REBUILDING SHRINES.

10. THAILAND

TAMARKIN (CDN 8/19) DESCRIBES BOOM IN SALE OF BABIES AS THAILAND REPLACES SVN AS MAJOR SEA CENTER TRAFFICKING IN CHILDREN FOR ADOPTION BY AMERICANS, AUSTRALIANS, CANADIANS, EUROPEANS. NOTES GROWING CONCERN THAI AUTHORITIES.

SMITH (CDN 8/21-22) RECORDS SEARCH FOR TRADITIONAL THAILAND AS WESTERNIZATION TAKES OVER. FINDS MUCH OF INTEREST, INCLUDING "ANCIENT CITY" BUILT BY GOVT TO PRESERVE OLD/ GOOD THINGS.

11. JAPAN

APROPOS JAPANESE BUSINESS DEL MEETINGS WITH BREZHNEV, AT CRIMEAN VILLA, CDN'S BEECH (BALTO N-A 8/19) RECALLS LENIN SAID WHEN TIME CAME FOR COMMUNISTS TO HANG CAPITALISTS, LATTER WOULD SELL THEM THE ROPE. NOTES BREZHNEV MEETING UNDERSCORED IMPORTANCE SOV ATTACHES TO JAPANESE COOPERATION IN SIBERIAN DEVELOPMENT, BUT IN LONG RUN, OPINE INVITATION LIKELY MADE JAPANESE FEEL MORE SUSPICIOUS THAN FLATTERED.

CHITRIB (8/23) REPRINTS NYT FEATURE ON JAPANESE SLUGGER, SADAHARU OH, CLOSING IN ON BABE RUTH HOME RUN RECORD, UNCLASSIFIED

PAGE 09 STATE 209960

AND ROLE OF BASEBALL IN US-JAPAN INTERCHANGE.

JOC WRAPS UP RECENT TOKYO VISIT BY TREAS' YEO, WHO PROFESSED "SATISFACTION" WITH TALKS THERE ON PRICE STABILIZATION/INTL MONETARY SITUATION. NOTES ONE RESULT, THAT JAPANESE "FINALLY UNDERSTAND", ALLOWED YEN BEGIN APPRECIATING LAST WK AND HAVEN'T INTERVENED IN FOREX MART YET.

HORVAT (WP 8/21) REVIEWS MOOD IN TOKYO AS US/JAPAN BEGIN FISHERIES TALKS IN WASHINGTON; QUOTES OFFICIAL ASKING "WHY ARE AMERICANS SUDDENLY INTERESTED IN PROTECTING FISH THEY WOULD NEVER THINK OF EATING?" NOTES JAPANESE TAKE 45 PCT OF ANNUAL 11 MILLION TONS

CATCH, WITHIN US 200-MI ZONE, AND US-JAPAN RELS "BOUND BE STRAINED" AS FISHERMEN/CONSUMERS BEGIN FEEL IMPACT OF NEW US RESTRICTION ON PREVIOUSLY BOUNTIFUL CATCHES.

WP (8/21) HIGHLIGHTS TANAKA ARREST/INDICTMENT. AS TRIAL PROCEEDS, SUGGESTS AMERICAN RECALL MONEY CAME FROM US. UNFORTUNATE IF ANY US FIRM INVOLVED IN BRIBERY, BUT LOCKHEED IS LARGEST US DEFENSE CONTRACTOR, OWES EXISTENCE TO FEDERALLY GUARANTEED LOANS, AND IS VIEWED ABROAD ALMOST LIKE "ARM OF THE USG." WP SUPPORTS ADMIN DISCLOSURE BILL, THAT PROMISES WORK BETTER THAN CRIMINAL

SANCTIONS IN PROXMIRE BILL. CRITICIZES CARTER FOR NOT HAVING "GOOD GRIP" ON ISSUE. STATES UP TO JAPANESE COURTS DECIDE WHAT IS ILLEGAL, IF TRANSACTION TAKES PLACE THERE. NOTES SEARCH FOR EFFECTIVE SANCTIONS HAS BECOME ELECTION ISSUE, WELL AS HEARTENING ASPECT THAT US/JAPANESE VOTERS OUTRAGED BY BRIBERY.

ROWEN (WP 8/22) SEES US PREPARING REPLAY "NIXON SHOCK" SCENARIO AGAINST JAPAN OVER YEN RATE, AMID SIGNS GROWING IRRITATION BETWEEN US/JAPAN. REVIEWS JAPAN'S RECOVERY FROM OIL SHOCK, CURRENT LARGE TRADE SURPLUS. NOTES FORD RAISED NEED ALLOW YEN APPRECIATE WITH MIKI, AT PUERTO RICO. NOTES JAPAN SEEMS HAVE ACCEPTED NEW YEN RATE OF 290/DOL AFTER YEO VISIT, BUT THIS NOT "TRUE MARKET" VALUE -- GIVES JAPAN UNFAIR COMPETITIVE ADVANTAGE
UNCLASSIFIED

PAGE 10 STATE 209960

IN TRADE EVERYWHERE. CONCLUDES CURRENT LOOSE SYSTEM OF FLEXIBLE RATES REQUIRES INTL SURVEILLANCE. URGES IMF CREATE WORKABLE MACHINERY AT ANNUAL MEETING OCT IN MANILA.

12. KOREA

SUN STATES US/NK HAVE BOTH "FORTUNATELY" TAKEN STEPS EASE TENSIONS CAUSED BY BRUTAL MURDERS IN DMZ. BELIEVES KIM ACKNOWLEDGING INCIDENT WAS "REGRETFUL" WAS CLOSEST THING TO APOLOGY HE EVER RENDERED WESTERN GOVT. DOS MAY HAVE BEEN RIGHT, AT FIRST, TO REJECT AS "UNACCEPTABLE", BUT WAS "MORE PRUDENT" WHEN LATER LABELED REMARKS "POSITIVE STEP." REVIEWS DIFFICULTIES FACING US IN KOREA. SAYS US MUST TAKE SPECIAL CARE, IN DISENGAGING, TO GUARD JAPAN'S SECURITY, AVOID INCREASED REGIONAL TENSIONS THAT COULD DEFLECT NORMALIZATION US/PRC RELS.

WP COMPARES KIM MESSAGE TO JAPAN'S INDIRECT APOLOGY TO CHINA FOR WW II. SEES IT MARKING SUBSTANTIAL, UNPRECEDENTED NK BACKDOWN.

CHI S-T (8/20) CONDEMNS DMZ MURDERS. LAUDS US OFFICIALS

FOR DISCOUNTING POSSIBILITY OF US REPRISALS, THAT WOULD ONLY PROVOKE NKOREANS TO FURTHER OUTRAGES, THUS BE SELF-DEFEATING.

CHITRIB STATES DOS RIGHT TO CALL KIM MESSAGE "UNACCEPTABLE. DID NOT TAKE RESPONSIBILITY, EXPLAIN WHY 2 US OFFICERS KILLED. SAYS US BEHAVIOR "PROPER" SINCE UNJUSTIFIED, BARBAROUS ACT. OPINES RESTRAINED SHOW OF FORCE BY US MAY HAVE CONTRIBUTED TO KEEPING PEACE, ALSO DEPRIVED KIM IL SUNG OF PROPAGANDA VICTORY AT COLOMBO, WELL AS OPPORTUNITY SUGGEST TO CARTER THAT US ADMIN "OVERREACTED."

GLOBE AGREES DOS TECHNICALLY CORRECT TO LABEL KIM MESSAGE "UNACCEPTABLE", BUT NOTES WAS CONCILIATORY IN SEVERAL WAYS, CAME DIRECTLY FROM KIM IL SUNG. MAY INDICATE NKOREANS SEE EPISODE IN LIGHT OF BAD JUDGMENT OF US INTENTIONS. UNDER CIRCUMSTANCES OF MUTUAL FEAR OF ATTACK, STRESSES IMPORTANCE THAT US POLICY MINIMIZE UNCLASSIFIED

PAGE 11 STATE 209960

DANGER OF CLASH THAT COULD ESCALATE INTO SOMETHING MORE SERIOUS.

NYT SUPPORTS US AIR/NAVAL REINFORCEMENTS SENT KOREA AS "NECESSARY PRECAUTION" IN WAKE DMZ MURDERS. NOTES MIL DETERRENCE ALONE NOT ENOUGH; TO SUCCEED, SAYS DEPLOYMENT US FORCES REQUIRES POSITIVE/WORTHY GOALS. AMERICANS KNOW WHAT WE OPPOSE IN KOREA, HAVE RIGHT TO KNOW WHAT WE STAND FOR. IN LIGHT OF RECENT HIRC REPORT ON PARK REPRESSION, CONCLUDES ANSWER NOT REASSURING.

MCALLISTER (WP 8/23; EXCERPTED GLOBE 8/23) NOTES SK OFFICIALS OFFER HONORARY DEGREES TO CONGRESSMEN, EXPENSE-PAID TRIPS TO RECEIVE THEM IN EFFORT WIN SUPPORT FOR PARK REGIME. SAYS 3 MEMBERS HIRC, ONE STAFFER REFUSED ACCEPT OFFERS IN PAST 18 MONTHS--REP RYAN (CALIF), FRASER (MINN), HAMILTON (IND). FRASER LABELED OFFERS "FORM OF BRIBERY." SAYS REP MURPHY (NY) HAS TWO HONORARY PHD'S; LED 7-MAN CODEL SEOUL LAST OCT TO ATTEND WAR CEREMONY--ALL GOT PHD'S FROM KOREA UNIVERSITY, IN MASS CEREMONY.

LOCHER CARTOON (CHITRIB 8/23) SHOWS FORD SEATED AT DESK, AIDE SAYING "THAT WAS A FIERY ACCEPTANCE SPEECH, GER--NOW YOU CAN RELAX FOR A WHILE;" NKOREA OFFICER, UNDER CHAIR, IS LIGHTING "HOT FOOT" FOR PRES.

CORDDRY (SUN 8/21) CITES HAK APPEARANCE ON NBC-TV "TODAY" SHOW FRI; SAID US WOULD DEMAND "REPARATION" FOR DMZ KILLING. NOTES OFFICIALS LATER SAID WORD SHOULD BE INTERPRETED AS DEMAND FOR GENL SATISFACTION FOR WRONG, RATHER THAN SPECIFIC MONETARY PAYMENT.

GWERTZMAN (NYT 8/21) NOTES HAK SAID US DEMANDING "EXPLANATIONS AND REPARATION," BUT DID NOT SPECIFY ALTERNATIVES IF NK RESPONSE UNSATISFACTORY.

THARP (WSJ 8/23), IN SEOUL, VIEWS NK ASSAULT IN DMZ AS PLOY. IN VIEW OF RESULTS APPARENTLY OBTAINED AT COLOMBO, WONDERS WHETHER MAY HELP NK WIN CASE AT UN THIS FALL.

UNCLASSIFIED

PAGE 12 STATE 209960

GODSELL (CSM 8/23) SEES THREE FACTS AT CORE OF FLAREUP AT DMZ--KIM IL SUNG DETERMINATION WIN CAMPAIGN FOR US WITHDRAWAL IN UNGA THIS YEAR, REUNIFY KOREA; NEED FOR US BE SEEN STANDING FIRM; TACIT RELUCTANCE SHARED BY US, PRC, USSR TO ALLOW TROUBLE IN KOREA ESCALATE INTO SUPERPOWER CONFRONTATION. NOR DOES US WANT JAPAN SUCKED IN.

BROWNE (NYT SPEC, SEOUL 8/23) REVIEWS DISSIDENT TRIALS IN SK. OPINES LATEST INCIDENT NOT EXPECTED HELP HUMAN RIGHTS SITUATION. AP SEOUL (GLOBE 8/21) NOTES WORD OF ANTI-GOVT MARCH BY 500 YOUNG KOREAN CHRISTIANS AT MOKPO 8/18 DIDN'T REACH SEOUL UNTIL FRI. POLICE ALLOWED MARCH, HYMN-SINGING. CHANTS INCLUDED CALL FOR RELEASE POLITICAL PRISONERS.

SNOW (GLOBE 8/20) RECALLS VISIT TO PANMUNJON. SAYS NO ONE SHOULD BE SURPRISED BY FLAREUP THAT KILLED 2 US OFFICERS. DESCRIBES SITE, INCLUDING BRIDGE OF NO RETURN. REVIEWS TRUCE, NOTES IRONY THAT DOD LAST YR RECLASSIFIED AS "NON-HOSTILE ZONE", MEANING VOLUNTEERS LOST 60 DOLS/MO FROM PAYCHECKS. SAYS NO ONE CLEAR ABOUT NK MOTIVES, ONLY THING SURE IS TWO AMERICANS LOST LIVES.

ON BASIS NEGATIVE REACTION AROUND UN TO HAK CALL FOR KOREA SOLUTION, DURDIN (SD UNION 8/18) PREDICTS KOREA DESTINED REMAIN DIVIDED COUNTRY, ON VERGE OF WAR BETWEEN TWO MUTUALLY HOSTILE DICTATORSHIPS.

WSJ (8/23) NOTES LATEST NK ACTION STIRRED AMERICANS ANGER, BUT WHEN EBBS, QUESTION WILL BE ASKED "WHY ARE WE THERE?" OFFERS NO SIMPLE ANSWER. SUGGESTS US TROOP PRESENCE NEEDED MAINTAIN TRUCE, LEST EACH SIDE OTHERWISE TRY UNIFY KOREA. CONSEQUENCES OF SUCH A CONTEST COULD IMPERIL WORLD PEACE, SINCE WOULD NOT REMAIN ONE-ON-ONE STRUGGLE FOR LONG. ENTRY OF USSR/PRC WOULD FACE US WITH ALTERNATIVE OF ABANDONING YET ANOTHER ASIAN ALLY, OR FIGHTING REPEAT OF KOREAN WAR. EITHER OPTION COULD RISK TENUOUS US RELATIONSHIP WITH PRC, RAISE DANGER OF NEW CONFRONTATION WITH PRC/SOV. MIGHT ALSO LEAD TO RAPID REARMAMENT JAPAN. SCENARIO SO FRIGHTENING EVEN UN, WITH

UNCLASSIFIED

PAGE 13 STATE 209960

ANTI-US ANIMUS, IN NO HURRY FOR US END PEACE-KEEPING ROLE.
PRESENTS REASONED CONCLUSION US SHOULD STAY IN KOREA.

MCCOMBS/AHN (WP 8/23) INTERVIEW AMCIT KOREAN MYSTERY
MAN, PAUL KYUNGHWAN CHANG, JAILED GRAND RAPIDS, MICH,
AFTER PLEADING GUILTY ON CHARGE IMPERSONATED US CIA
MAN OFFICIAL IN CONNECTION 3 MYSTERIOUS TRIPS TO NK 1974.
MOTIVES NOT CLEAR. QUOTE DENIAL BY NSC'S SOLOMON THAT

CHANG COULD HAVE BEEN INVOLVED IN KISSINGER-LIKE SECRET
APPROACH TO NK ON BEHALF NIXON. OFFICIAL SAID LIE DE-
TECTOR SHOWED CHANG NOT WORKING AS AGENT OF NK OR SK, OR
PLOTING COUP IN ROK. US ATTORNEY SAYS JUST "WANTED TO
BUILD SELF UP", BECOME INTL FIXER. RECRUITED THREE OTHER
KOREANS GO ON PYONGYANG TRIP JULY 1974 IN BELIEF WAS
CIA MISSION. WHEN NOT REIMBURSED FOR TRAVEL, NO ONE
CAME FOR REPORT, ONE OF THEM, WESTERN MICH U PROF ANDREW
NAHM WROTE COLBY, THUS BLEW WHISTLE ON BIZARRE EPISODE.

13. CHINA

NATL COUNCIL OF CHURCHES OF CHRIST'S CHINA PROGRAM DI-
RECTOR, IN NYT LETTER, REVIEWS MANY GROUPS WHO HAVE OF-
FERED RELIEF AID TO PRC--ALL OF WHICH REJECTED. TERMS
SPIRIT OF SELF-RELIANCE "SINE QUA NON" IN BUILDING NEW
CHINA. NOTES MARCOS HAS DECIDED FOLLOW PRC'S EXAMPLE BY
REJECTING FON AID FOR MINDINAO EARTHQUAKE/TIDAL WAVE
WHICH BROUGHT DISASTER TO PHILS 8/17.

14. AUSTRALIA/NEW ZEALAND

CARTHEW (CSM) STATES MULDOON'S NEW BUDGET PROPOSAL CON-
SIDERED WELL-BALANCED, CENTERING ON 4 BASIC PROBLEMS CON-
FRONTING NZ: UNEMPLOYMENT, INTERNAL DEFICIT, HIGH IMPORT
DEMAND, LARGE EXTERNAL DEFICIT BEFORE BORROWING. ALSO
INCLUDED IS 90 MIL DOL FARM-SUPPORT PROGRAM. NOTES PM
HAS BUILT UP REPUTATION AMONG NZ PUBLIC AS BEST ECONOMIST
OF DECADE, AND ANALYSTS CONSIDER NEW BUDGET MORE MATURE
APPROACH THAN IN PAST.

VICKERS (CSM) INTERVIEWS "DESERTED FATHER" WHO WAS FORCED
UNCLASSIFIED

PAGE 14 STATE 209960

QUIT JOB AFTER UNABLE FIND HOUSEKEEPER WHO ALSO WILLING
CARE FOR HIS 4 CHILDREN. MAN NOW STAYS HOME, CARES FOR
CHILDREN ON SPECIAL 4400 DOL YRLY GOVT ALLOWANCE. NOTES GO
PROVIDES "DESERTED MOTHERS" WITH SUBSTANTIALLY MORE BENE-
FITS IN SIMILAR CIRCUMSTANCES.

15. PHILIPPINES

WIDEMAN (WP) REPORTS PHILS MIL ENGAGED IN BROAD OPERATION AGAINST COMMUNIST ORGANIZERS/PEASANT FOLLOWERS IN S QUEZON PROV, 135 MILES SE MANILA. UNPUBLICIZED PROGRAM, TERMED "OPERATION DENIAL", BEGAN 7/1 AND SO FAR HAS RELOCATED 5000 VILLAGE PEASANTS FROM COMMUNIST-CONTROLLED AREAS TO GOVT AREAS. WIDEMAN SAYS ONE MEMBER PHILS GENERAL STAFF TOLD HIM PRIVATELY TORTURE IS COMMON PRACTICE DURING INITIAL INTERROGATION POL PRISONERS, THOUGH MARCOS HAS DENIED ANY TORTURE OCCURRED. STATES ENTIRE RELOCATION SCHEME COULD BACKFIRE, CREATE SUPPORT FOR COMMUNISTS AS SAME TYPE PLAN OFTEN DID IN VN. USG AIDING MATERIEL BUILDUP FOR COUNTER-INSURGENCY EFFORT WITH ABOUT 40 MIL DOLS IN EQUIPMENT/SERVICES YEARLY, CHANNLED THRU JOINT US MIL ADVISORY GROUP IN MANILA.

16. NONALIGNED SUMMIT

BORDERS (NYT) REMARKS SUMMIT ISSUED "OLD AND FAMILIAR COMPLAINT" AGAINST UNBALANCED DISTRIBUTION OF WEALTH IN WORLD. COMMUNIQUE ALSO REFERRED TO NATURAL RESOURCES AS "EFFECTIVE WEAPON" WHICH COULD BE USED ACHIEVE EXTERNAL POL GOALS. BORDERS CITES EXAMPLE OF NONALIGNED THREATENING OIL EMBARGO AGAINST FRANCE FOR SELLING ARMS TO S AFR; WITHIN HRS FRENCH FONMIN ISSUED STATEMENT ASSURING NONALIGNED MOVEMENT SALES HAD ALREADY BEEN STOPPED. BIGGEST PROBLEM WAS OIL PRICING: RICH NATIONS COULD AFFORD GENERAL PRICE RISE, BUT POORER ONES WOULD SUFFER UNDER CRUNCH; WAS PROBLEM W/NO SOLUTION SHORT OF 2-PRICE SYSTEM, WHICH GENERALLY CONSIDERED UNWORKABLE.

CSM'S WILLIS (8/23), IN MOSCOW, CITES SOV VIEW OF CONF; SAYS PRC DID BETTER THAN EXPECTED - "WELL ENOUGH TO UPSET MOSCOW." WESTERN ANALYSTS IN MOSCOW SEE EVIDENCE THAT UNCLASSIFIED

PAGE 15 STATE 209960

SOVIET APPREHENSION OF CHINESE INFLUENCE DEEPENED SOMEWHAT. NOTES PEKING ASSERTS THAT WHILE US/USSR BOTH SEEKING DOMINATE NONALIGNED MOVEMENT, PRC IS TRUE MEMBER 3RD WORLD. OBSERVES MOSCOW FAILED REPORT PART OF NVN PM PHAM VAN DONG'S SPEECH WHICH INDICATED DESIRE FOR NORMAL DIP RELS W/US, WELL AS ECON AID. WESTERN OBSERVERS SEE MOSCOW DISPLEASED AT CONF'S FAILURE PUBLICLY NAME US AS "OGRE OF THE INDIAN OCEAN", OR AS POWER WHICH SHOULD WITHDRAW FORCES FROM SK.

CDN (8/19) STATES PARTICIPATING COUNTRIES HAVE "PECULIAR DEFINITION OF 'NONALIGNED'" WHEN CONF INCLUDES CASTRO, TITO, ZAMBIA'S KAUNDA. NOTES SYSTEM FOR BUFFER STOCK OF COMMODITIES PAID FOR BY WEALTHIER NATIONS REJECTED

BY HAK. CDN BELIEVES STALEMATE BETWEEN RICH/POOR NATIONS WILL CONTINUE, WHILE SRI LANKA DELEGATES DEVOTE TIME TO "TIREDSOME RHETORIC ABOUT COLONIALISM AND ECONOMIC IMPERIALISM." CONCLUDES TASK OF IMPROVING PRESENT WORLD ECON SYSTEM "AWAITS MORE REALISTIC APPROACH."

17. INDOCHINA

FRENCH JOURNALIST LACOURTURE (NYT 8/23) MAKES JOURNEY TO VN, FINDS BOTH DISCOVERY/RETURN TO PAST. SAYS COUNTRY AT PEACE, IF NOT YET PEACEFUL; REUNITED, IF NOT YET UNIFIED. NOTES TIME FOR BALANCING ACCOUNTS HAS COME: LISTS OVERESTIMATIONS, UNDERESTIMATIONS HE MADE DURING WAR. POINTS OUT ELECTORAL PROCESS PREPARATORY TO UNIFICATION IS USEFUL REMINDER THAT "DEMOCRACY" HASN'T SAME MEANING FOR COMMUNISTS AS FOR THOSE WHO DEFEND PLURALISM. MENTIONS BETTER FOR SOMEONE TRYING TO PRESERVE INTACT ADMIRATION FOR REVOLUTION NOT TO KNOW ITS VICTIMS; SAYS NO GUILLOTINING IN SAIGON, BUT IS RE-EDUCATION.

18. LOS

HOFMANN (NYT) SEES CONF AT IMPASSE DUE EFFORTS 3RD WORLD GET CONTROL OCEAN-FLOOR MINING. NOTES SLIGHT PROGRESS ON 1 BARGAINING FRONT: LANDLOCKED COUNTRIES AT LAST STARTED TALKS WITH COASTAL NATIONS ON OFFSHORE-WATERS CLAIMS. BELIEVES ANOTHER IMPASSE THREATENING ON SCIENCE-UNCLASSIFIED

PAGE 16 STATE 209960

TIFIC RESEARCH WITHIN ECON ZONES.

NYT (8/21) THINKS IF NONALIGNED SERIOUS ABOUT BUILDING NEW WORLD ECON ORDER, GOOD PLACE START WOULD BE LOS CONF. CALLS FOR COMPROMISE ON OCEAN-FLOOR MINING THAT 3RD WORLD WANTS DOMINATE. FINDS PROSPECTS FOR OCEAN AGREEMENT THREATENED DUE ISSUE. CONCLUDES ECON PROGRESS ON LAND/SEA CAN BE ACHIEVED ONLY IF BOTH SIDES REJECT EXTREMES IN SEARCH FOR ACCOMODATIONS. KISSINGER

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